

THURSDAY, AUGUST 1, 2002

The Board met at its offices at 450 N Street, Sacramento, at 9:30 a.m., with Mr. Klehs, Vice Chair, and Mr. Parrish present, Ms. Mandel present on behalf of Dr. Connell in accordance with Government Code section 7.9.

ANNOUNCEMENT OF CLOSED SESSION

The Board recessed at 9:31 a.m. and reconvened immediately in closed session with Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel present.

CLOSED SESSION

The Board met to discuss settlements (Revenue and Taxation Code § 7093.5, 30459.1, 50156.11 and Government Code § 11126(f)(7)(B)) and personnel matters (Govt. Code § 11126(a)).

The Board recessed at 9:50 a.m. and reconvened immediately in open session with Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel present.

FINAL ACTION ON PETITION HEARD JULY 31, 2002

Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board ordered that the petition of *Pedro Munoz Jimenez and Jacinto Munoz Jimenez, 100565*, be redetermined in accordance with the revised recommendation of the Department.

SPECIAL PRESENTATION

On behalf of the Board, Mr. Chiang presented a 25-Year Service Award to Ms. Karen Roberts, Fuel Taxes Division, extending its sincere and grateful appreciation for her dedicated service to the State Board of Equalization and the State of California (Exhibit 8.1).

Exhibits to these minutes are incorporated by reference.

ADMINISTRATIVE SESSION

ADMINISTRATIVE MATTERS, CONSENT

With respect to the Administrative Matters, Consent Agenda, upon a single motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board made the following orders:

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Action: Adopt the following resolution extending its best wishes on his retirement and its appreciation for his service to the State Board of Equalization and the State of California (Exhibit 8.2).

Ronald J. Swenson, Associate Tax Auditor, West Covina District Office

Action: Approve the Board Meeting Minutes of May 29-30, 2002 and June 19-20, 2002

Action: Approve section 6355 Coins and Bullion Bulk Sales Adjustment (Exhibit 8.3).

Action: Approve extensions of time to complete and submit 2002-03 local assessment rolls pursuant to Revenue and Taxation Code section 155 granted to Alpine, Amador, Modoc, Monterey, Napa, Plumas, San Benito and Yuba Counties.

BOARD COMMITTEE REPORTS

Legislative Committee

Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board approved the Legislative Committee report (Exhibit 8.4).

Customer Services and Administrative Efficiency Committee

Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board approved the Customer Services and Administrative Efficiency Committee report (Exhibit 8.5).

Business Taxes Committee

Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board approved the Business Taxes Committee report (Exhibit 8.6).

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CHIEF COUNSEL MATTERS**RULEMAKING****Adoption of Changed Version of Regulation 1807, Process for Reviewing Local Tax Reallocation Inquiries**

Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board adopted the changed version of *Regulation 1807, Process for Reviewing Local Tax Reallocation Inquiries* (Exhibit 8.7).

Section 100 Change to Property Tax Rule 305, Application

Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board adopted the Section 100 Change to *Property Tax Rule 305, Application* (Exhibit 8.8).

Section 100 Change to Property Tax Rule 305.1, Exchange of Information

Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board adopted the Section 100 Change to *Property Tax Rule 305.1, Exchange of Information* (Exhibit 8.9).

PROPERTY TAX MATTER**Petition for Reassessment of Unitary Escape Assessment**

Pac-West Telecomm, Inc. (2043), 154098

1997, \$200,000 Escaped Assessment

\$84,000 In-Lieu Interest

1999, \$14,700,000 Escaped Assessment

\$1,470,000 Penalty

\$3,528,000 In-Lieu Interest

2000, \$13,500,000 Escaped Assessment

\$1,350,000 Penalty

\$2,025,000 In-Lieu Interest

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs and Mr. Parrish voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, Mr. Andal absent, the Board adopted the staff's revised Escaped Assessment, Penalty and In-Lieu Interest recommendations regarding the Petition for Reassessment of Unitary Escaped Assessments.

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PROPERTY TAX MATTER**Applications for Review, Equalization and Adjustment of Assessments*****Consideration of Findings and Decisions***

Northern California Power Agency, 19387

1998, \$4,760,000.00 Assessment

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs and Mr. Parrish voting yes, Ms. Mandel not participating, Mr. Andal absent, the Board approved the Finding and Decision as recommended by staff.

Northern California Power Agency, 27694

1999, \$4,740,000.00 Assessment

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs and Mr. Parrish voting yes, Ms. Mandel not participating, Mr. Andal absent, the Board approved the Finding and Decision as recommended by staff.

Consideration of Notice of Decision

City of Long Beach, 133283

4-6-00

Action: The Board deferred consideration of this matter.

City of Los Angeles, 133353

4-6-00

Action: The Board deferred consideration of this matter.

State Assessee Petitions for Reassessment of Unitary Value***Failure to Timely Report***

Demand Letter to File BOE 551--Notice of Pending Subpoena

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board approved the Demand Letter to File Statement of Land Changes (BOE 551)--Notice of Pending Subpoena (Exhibit 8.10).

LEGAL APPEALS MATTERS, ADJUDICATORY

Shawkat Mahmoud Harb, 48943

4-1-95 to 2-5-98, \$77,802.72 Tax

\$7,742.62 Penalty, Negligence

Considered by the Board: Hearing Notice Sent – No Response

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Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Mr. Parrish moved that the petition be redetermined with adjustments. The motion failed for lack of a second.

Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs and Ms. Mandel voting yes, Mr. Parrish abstaining, Mr. Andal absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

Shawkat Mahmoud Harb, & Jeanmaire C. Ornelas, 48931

3-9-98 to 12-31-98, \$11,226.42 Tax

\$1,111.04 Penalty, Negligence

Considered by the Board: Hearing Notice Sent – No Response

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Mr. Parrish moved that the petition be redetermined with adjustments. The motion was seconded by Mr. Klehs but failed to carry, Mr. Parrish voting yes, Mr. Chiang, Mr. Klehs and Ms. Mandel voting no, Mr. Andal absent.

Upon motion of Mr. Klehs, seconded by Ms. Mandel and unanimously carried, Mr. Chiang, Mr. Klehs and Ms. Mandel voting yes, Mr. Parrish abstaining, Mr. Andal absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

Shawkat Mahmoud Harb, 57631

2-6-98 to 3-8-98, \$1.00 or more Claim for Refund

Considered by the Board: Hearing Notice Sent – No Response

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Ms. Mandel and unanimously carried, Mr. Chiang, Mr. Klehs and Ms. Mandel voting yes, Mr. Parrish abstaining, Mr. Andal absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

CTSI Corporation, 80346

4-1-96 to 12-31-98, \$00.00 Tax

Considered by the Board: Hearing Notice Sent – No Response

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs and Mr. Parrish voting yes, Ms. Mandel not participating, Mr. Andal absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

Tech Data Company, 89000854030

7-1-91 to 6-30-94, \$299,941.70 Tax

Considered by the Board: Hearing Request Withdrawn

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Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

National Superior Vending, Inc., 30065

1-1-95 to 9-30-98, \$216,496.82 Tax

\$00.00 Penalty, Negligence

Considered by the Board: May 29, 2002

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs and Mr. Parrish voting yes, Ms. Mandel not participating, Mr. Andal absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

Whitney Construction, 104692

7-1-96 to 6-30-99, \$11,708.75 Tax

Considered by the Board: May 30, 2002

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

Arundel Green, LLC, 118310

1-1-96 to 12-31-96, \$00.00 Fee

\$00.00 Penalty, Failure to File

Considered by the Board: May 29, 2002

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

Proflowers, Inc., 155104

2-6-98 to 9-30-01, \$19,595.16 Tax

Considered by the Board: March 26, 2002

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

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Gutierrez Restaurants, Inc., 89002335470, 27335

7-1-95 to 12-31-95, \$2,221.67 Tax

\$00.00 Penalty, Negligence

1-1-96 to 3-31-98, \$42,041.58 Tax

\$00.00 Penalty, Negligence

Considered by the Board: March 13, 2002

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board ordered that the petition be redetermined as recommended by the Appeals Section.

Delano Furniture Center Inc., 89002238240

10-1-93 to 12-31-97, \$156,222.42 Tax

\$39,064.45 Penalty, Fraud

Considered by the Board: June 20, 2002

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Mr. Parrish moved to grant the petition for rehearing. Mr. Klehs seconded the motion but failed to carry, Mr. Parrish voting yes, Mr. Chiang, Mr. Klehs and Ms. Mandel voting no, Mr. Andal absent.

Upon motion of Mr. Klehs, seconded by Mr. Chiang and duly carried, Mr. Chiang, Mr. Klehs and Ms. Mandel voting yes, Mr. Parrish voting no, Mr. Andal absent, the Board ordered to deny the petition for rehearing.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, ADJUDICATORY

Pacific Corp., 90027

12-31-84 to 12-31-89, \$2,047,797.00

Considered by the Board: Formal Opinion

Action: The Board took no action.

Eugene P. and Kerry A. Smith, 136380

1997, \$2,971.54 Claim for Refund

Considered by the Board: May 30, 2002

Action: The Board took no action.

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Steven G. Dunmore, 88986

1987, \$28,424.00 Tax

1991, \$59,559.00 Tax

\$11,911.80 Penalty, Accuracy

1992, \$14,133.00 Tax

\$2,826.60 Penalty, Accuracy

1993, \$81,521.00 Tax

\$16,304.20 Penalty, Accuracy

\$20,374.50 Penalty, Late Filing

Considered by the Board: March 27, 2002

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board adopted a decision denying the petition for rehearing.

Manuel R. Diaz, 118706

1976, \$3,051.86 Claim for Refund

Considered by the Board: December 20, 2001

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board adopted a decision denying the petition for rehearing.

Raymond H. and Margaret R. Berner, 88344

1986, \$95,691.00 Tax

\$23,922.75 Penalty, Notice and Demand

1987, \$313,694.00 Tax

\$78,423.50 Penalty, Notice and Demand

1988, \$49,672.00 Tax

\$3,932.90 Penalty, Negligence

Considered by the Board: Formal Opinion

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board adopted the formal opinion.

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SALES AND USE TAX MATTERS, CREDITS, CANCELLATIONS AND REFUNDS, ADJUDICATORY

Chevron U.S.A., Inc., 136256

1-1-99 to 12-31-99, \$55,974.41

Considered by the Board: May 30, 2002

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board approved the refund as recommended by staff.

McCurdy Circuits, Inc., 166590

4-1-98 to 6-30-01, \$173,857.20

Considered by the Board: May 30, 2002

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board approved the credit and cancellation as recommended by staff.

SPECIAL TAXES MATTERS, REFUNDS, ADJUDICATORY

Ralphs Grocery Company, 168428

4-1-02 to 4-30-02, \$60,159.54

Considered by the Board: May 30, 2002

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs and Mr. Parrish voting yes, Ms. Mandel not participating, Mr. Andal absent, the Board approved the refund as recommended by staff.

LEGAL APPEALS MATTERS, CONSENT

The Board deferred consideration of the following matters: *Young Boo Moon*, 89000024880, *Conam Inspection, Inc.*, 89002320200, *VTE Sports Productions, Inc.*, 33985, 133825, and *Z.E.I. Acquisition Corporation*, 89002234310.

With respect to the Legal Appeals Matters Consent Agenda, upon a single motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, Mr. Chiang not participating in *National Semiconductor Corp.*, 89000640740, Ms. Mandel not participating in accordance with Government Code section 7.9 in *Amex Life Assurance Company*, 89000899900, the Board made the following orders:

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Richard Boyd Industries, Inc., 89000596970, 89000596960

4-1-95 to 3-31-98, \$33,051.31 Tax

\$3,575.10 Penalty, Negligence

10-1-93 to 12-31-97, \$1.00 or more Claim for Refund

Action: Redetermine as recommended by the Appeals Section.

Geraldine Ann Marks, 83731

4-1-92 to 6-30-96, \$1,835.00 Tax

Action: Redetermine as recommended by the Appeals Section.

Cherie Rose, Incorporated, 102207

7-1-97 to 12-31-99, \$3,100.56 Tax

Action: Redetermine as recommended by the Appeals Section.

Steve B. Spangle, 115544

1-1-98 to 4-17-00, \$20,817.07 Tax

\$00.00 Penalty, Negligence

Action: Redetermine as recommended by the Appeals Section.

Sincere manufacturers, Inc., 48266

4-1-96 to 3-31-99, \$17,664.69 Tax

Action: Redetermine as recommended by the Appeals Section.

Roofing Technology, 32808

7-1-91 to 3-31-99, \$89,570.56 Tax

\$8,957.78 Penalty, Failure to File

Action: Redetermine as recommended by the Appeals Section.

Transition Systems, Inc., 32547, 60013

7-1-95 to 12-31-98, \$246,065.92 Tax

\$00.00 Penalty, Negligence

Action: Redetermine as recommended by the Appeals Section.

National Semiconductor Corp., 89000640740

12-12-83 to 6-26-88, \$1.00 or more Claim for Refund

Action: Redetermine as recommended by the Appeals Section. Mr. Chiang not participating.

Novartis Corporation, 89000808320, 89000808290

4-1-92 to 12-31-96, \$00.00 Tax

\$00.00 Penalty, Negligence

1-1-95 to 8-31-95, \$95,874.64 Claim for Refund

Action: Redetermine as recommended by the Appeals Section.

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Amex Life Assurance Company, 89000899900

1-1-89 to 12-31-92, \$00.00 Tax

Action: Redetermine as recommended by the Appeals Section. Ms. Mandel not participating in accordance with Government Code section 7.9.

Kenneth Mark Gilpin, 89670

4-1-98 to 12-31-99, \$18,063.00 Tax

\$1,806.35 Penalty, Negligence

Action: Redetermine as recommended by the Appeals Section.

Young Boo Moon, 89000024880

1-1-92 to 6-30-94, \$109,333.79 Tax

\$27,333.45 Penalty, Fraud

Action: The Board deferred consideration of this matter.

Naresh C. Shah and Jayana N. Shah, 105724

4-1-96 to 12-31-99, \$6,827.75 Tax

Action: Deny the petition for rehearing as recommended by the Appeals Section.

Conam Inspection, Inc., 89002320200

4-1-94 to 3-31-97, \$62,686.12 Tax

Conam-MMP, Inc., 89000966320

4-1-95 to 12-31-97, \$45,191.20 Tax

\$00.00 Penalty, Failure to File

Action: The Board deferred consideration of this matter.

Richard R. Waterfield, 83285

8-31-98, \$15,589.00 Tax

\$00.00 Penalty, Failure to File

\$00.00 Penalty, Finality

Action: Deny the petition for rehearing as recommended by the Appeals Section.

Rhodia, Inc., 60469, 78672

7-1-97 to 3-31-00, \$50,000.00 Claim for Refund

4-1-98 to 3-31-99, \$50,000.00 Claim for Refund

Action: Taxpayer withdrew claim for refund.

VTE Sports Productions, Inc., 33985, 133825

8-9-88 to 6-30-90, \$185,344.10 Tax

\$46,336.07 Penalty, Fraud

\$18,534.41 Penalty, Failure to File

Action: The Board deferred consideration of this matter.

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Brian C. Cozart & Riley B. Cozart, 26499

1-1-96 to 12-31-98, \$25,411.09 Tax

Action: Deny the petition for rehearing as recommended by the Appeals Section.

Z.E.I. Acquisition Corporation, 89002234310

10-13-93 to 9-30-96, \$73,949.90 Tax

Action: The Board deferred consideration of this matter.

CORPORATE FRANCHISE AND PERSONAL INCOME TAX MATTERS, CONSENT

The Board deferred consideration of the following matters: *David Scharf, M.D., Inc., 134020, Donoco Enterprises Trust and Donald K. Mullins, 135314, Keithlee Family Trust and Neva L. Mullins, 135339, and Donald K. and Neva L. Mullins, 135331.*

With respect to the Corporate Franchise and Personal Income Tax Matters Consent Agenda, upon a single motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board made the following orders:

David Scharf, M.D., Inc., 134020

1997, \$387.08 Claim for Refund

Action: The Board took no action

C. V. Pediatrics, Inc., 134090

1998, \$18,422.97 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

Wesley J. Keller, 142151

1997, \$633.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

David P. O'Neill and Victoria E. McCrone, 149321

1998, \$2,280.00 Assessment

Action: Sustain the action of the Franchise Tax Board.

Calaveras Association of Stock Hounds, 149738

1998, \$1,050.00 Claim for Refund

1999, \$1,100.00 Claim for Refund

Action: Sustain the action of the Franchise Tax Board.

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Tetsuo and Dorothy Asato, 151803

1983, \$36,260.63 Assessment

1984, \$34,861.71 Assessment

1985, \$13,333.67 Assessment

Action: Sustain the action of the Franchise Tax Board.

Michael F. Keenan, 152613

1996, \$631.00 Tax

\$126.20 Penalty, Negligence

Action: Sustain the action of the Franchise Tax Board.

Donoco Enterprises Trust and Donald K. Mullins, 135314

1997, \$156,243.00 Tax

\$39,060.75 Penalty, Failure to Furnish Information

\$31,248.60 Penalty, Accuracy Related

Keithlee Family Trust and Neva L. Mullins, 135339

1997, \$159,374.00 Tax

\$39,843.50 Penalty, Failure to Furnish Information

\$31,874.80 Penalty, Accuracy Related

Donald K. and Neva L. Mullins, 135331

1997, \$154,983.00 Tax

\$38,745.75 Penalty, Failure to Furnish Information

\$30,996.60 Penalty, Accuracy Related

Action: The Board deferred consideration of the this matter.

Caren Abdela, 62403

1997, \$465.00 Tax

\$116.25 Penalty, Late Filing

Action: Deny the petition for rehearing.

Michael S. and Linda D. Bull, 88709

1994, \$1,604.00 Tax

\$399.00 Penalty, Late Filing

\$320.80 Penalty, Accuracy Related

Action: Deny the petition for rehearing.

David Easler, 111023

1998, \$5,601.00 Tax

\$1,400.25 Penalty, Late Filing

\$1,400.25 Penalty, Notice and Demand

Action: Deny the petition for rehearing.

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Alberto and Zonia Pullen, 134952

1993, \$1,083.00 Tax

Action: Deny the petition for rehearing.

HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE MATTERS, CONSENT

With respect to the Homeowner and Renter Property Tax Assistance Matters Consent Agenda, upon a single motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board made the following orders:

Thomas H. Nguyen, 143128

2001, \$240.00 Claim for Credit

Action: Reverse the action of the Franchise Tax Board.

Roosevelt Mullen, Jr., 145117

2001, \$240.00 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Rhonda Martin-Lee, 146597

1998, \$240.00 Claim for Credit

1999, \$240.00 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Diane Harris, 154136

2001, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Cynthia A. Knight, 154142

2001, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Gloria Estrada, 156126

2001, \$27.84 Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

Ngan Y. Lee, 156135

2001, \$1.00 or more Claim for Credit

Action: Sustain the action of the Franchise Tax Board.

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SALES AND USE TAX MATTERS, REDETERMINATIONS, RELIEF OF PENALTIES AND DENIALS OF CLAIMS FOR REFUND, CONSENT

With respect to the Sales and Use Tax Matters, Redeterminations, Relief of Penalties and Denials of Claims for Refund, Consent Agenda, upon a single motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board made the following orders:

East Coast Foods Inc., 146414

7-1-97 to 6-30-00, \$85,623.45

Action: Approve the redetermination as recommended by staff.

ATMI Ecosys Corporation, 136567

4-1-97 to 3-31-00, \$193,186.46

Action: Approve the redetermination as recommended by staff.

Legato Network Services Inc., 135332

1-1-97 to 3-31-00, \$109,806.21

Action: Approve the redetermination as recommended by staff.

Ward Hornblower Proescher, 115340

9-13-99, \$153,140.63

Action: Approve the redetermination as recommended by staff.

Elite Aviation, 151683

11-8-00, \$54,450.00

Action: Approve the redetermination as recommended by staff.

Shadowfax LLC, 145997

12-11-00, \$1,871,237.50

Action: Approve the redetermination as recommended by staff.

Hunt Wesson Inc., 145998

9-3-99, \$119,799.12

Action: Approve the redetermination as recommended by staff.

Disc Manufacturing, Inc., 116323

4-1-97 to 12-31-99, \$93,404.46

Action: Approve the redetermination as recommended by staff.

Marquip Inc., 102204

1-1-94 to 3-31-99, \$255,584.93

Action: Approve the redetermination as recommended by staff.

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Derek Ward, 132980

1-1-97 to 6-30-00, \$

Action: Approve the redetermination as recommended by staff.

The Perkin-Elmer Corporation, 83787

4-1-95 to 6-30-99, \$3,045,970.74

Action: Approve the redetermination as recommended by staff.

GTEM, Inc., 89002195500

1-1-92 to 12-31-95, \$62,413.49

Action: Approve the redetermination as recommended by staff.

Ericsson Inc., 151968

4-1-95 to 12-31-98, \$202,001.33

Action: Approve the redetermination as recommended by staff.

Duke City Video, Inc., 88413

7-1-96 to 9-30-99, \$168,361.47

Action: Approve the redetermination as recommended by staff.

Eurolink Design Corporation, 76865

6-1-96 to 6-30-99, \$67,298.22

Action: Approve the redetermination as recommended by staff.

Marie Callender's Pie Shops Inc., 174034

10-1-01 to 12-31-01, \$54,356.70

Action: Approve the relief of penalty as recommended by staff.

Insight Direct USA Inc., 171363

10-1-01 to 12-31-01, \$243,727.20

Action: Approve the relief of penalty as recommended by staff.

Daimlerchrysler Servs No. Amer. LLC, 169752

10-1-01 to 12-31-01, \$391,542.00

Action: Approve the relief of penalty as recommended by staff.

Quest Internet Solutions Inc. 173208

4-1-99 to 6-30-99, \$83,163.00

Action: Approve the relief of penalty as recommended by staff.

Quest Internet Solutions Inc. 173211

7-1-99 to 9-30-99, \$84,686.50

Action: Approve the relief of penalty as recommended by staff.

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Pacific Bell, 173955

1-1-94 to 12-31-97, \$107,941.35

Action: Approve the relief of penalty as recommended by staff.

Home Interiors & Gifts Inc., 173216

7-1-01 to 9-30-01, \$64,435.40

Action: Approve the relief of penalty as recommended by staff.

Printrak International, Inc., 142884

4-1-00 to 6-30-00, \$77,500.00

Action: Approve the denial of claim for refund as recommended by staff.

Borders Online, Inc., 150988

4-1-98 to 9-30-99, \$167,667.78

Action: Approve the denial of claim for refund as recommended by staff.

Borders Online, Inc., 150984

5-23-00 to 9-30-00, \$112,161.84

Action: Approve the denial of claim for refund as recommended by staff.

SALES AND USE TAX MATTERS, CREDITS, CANCELLATIONS AND REFUNDS, CONSENT

The Board deferred consideration of the following matter: *Fireside Thrift Company, 174384*.

With respect to the Sales and Use Tax Matters, Credits, Cancellations and Refunds, Consent Agenda, upon a single motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Chiang not participating in *Hewlett-Packard Company, 154771*, Mr. Andal absent, the Board made the following orders:

Pioneer Electronics USA Inc., 174385

10-1-01 to 12-31-01, \$79,730.28

Action: Approve the credit and cancellation as recommended by staff.

Ross Stores Inc., 174030

10-1-98 to 6-30-01, \$96,249.69

Action: Approve the credit and cancellation as recommended by staff.

Far Western Graphics Inc., 174658

4-1-01 to 6-30-01, \$54,571.64

Action: Approve the credit and cancellation as recommended by staff.

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Holopono Inc., 181519

7-1-01 to 9-30-01, \$100,427.68

Action: Approve the credit and cancellation as recommended by staff.

Alcatel USA Marketing Inc., 173332

1-1-97 to 12-31-99, \$66,411.21

Action: Approve the credit and cancellation as recommended by staff.

Critical Air Medicine Inc., 174372

6-9-98, \$79,329.00

Action: Approve the credit and cancellation as recommended by staff.

Pace LLC, 172037

10-21-99, \$748,340.02

Action: Approve the credit and cancellation as recommended by staff.

Pantheon Bark LLC, 173995

12-7-99, \$73,972.11

Action: Approve the credit and cancellation as recommended by staff.

Big Boys Toys Inc., 174031

1-9-98, \$58,335.66

Action: Approve the credit and cancellation as recommended by staff.

Huyng Family Trust, 173222

7-1-98 to 9-30-01, \$207,040.45

Action: Approve the credit and cancellation as recommended by staff.

Xuma, Inc., 173410

1-1-01 to 6-19-01, \$271,750.97

Action: Approve the credit and cancellation as recommended by staff.

PMC-Sierra US, Inc., 174387

1-1-01 to 9-30-01, \$68,850.81

Action: Approve the credit and cancellation as recommended by staff.

Blue Sky Hospitality Group, 173716

7-1-01 to 3-31-02, \$70,108.17

Action: Approve the credit and cancellation as recommended by staff.

Thermolase Corporation, 139246

10-1-97 to 6-27-99, \$202,566.98

Action: Approve the credit and cancellation as recommended by staff.

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Owens & Minor West Inc., 75856

1-1-99 to 12-31-99, \$104,233.47

Action: Approve the refund as recommended by staff.

Edelstein Diversified Speccls. Ltd., 163711

4-1-01 to 12-31-01, \$66,227.94

Action: Approve the refund as recommended by staff.

Fireside Thrift Company, 174384

1-1-97 to 3-31-01, \$1,065,413.10

Action: The Board deferred consideration of this matter.

Avant-Garde Optics Inc., 157140

7-1-01 to 9-30-01, \$51,644.98

Action: Approve the refund as recommended by staff.

Epsilon Trading Inc., 156516

7-1-01 to 9-30-01, \$720,353.20

Action: Approve the refund as recommended by staff.

Lenox Incorporated, 172710

4-1-98 to 3-31-01, \$60,021.93

Action: Approve the refund as recommended by staff.

G & K Services Co., 153298

7-1-01 to 9-30-01, \$77,500.00

Action: Approve the refund as recommended by staff.

Schmlbch-LBCA Plastic Containers USA

1-1-99 to 3-31-00, \$189,217.39

Action: Approve the refund as recommended by staff.

Anderson Cadillac, Inc., 162685

4-1-99 to 6-30-00, \$140,536.00

Action: Approve the refund as recommended by staff.

Longview International, Inc., 174386

1-1-98 to 12-31-01, \$177,336.89

Action: Approve the refund as recommended by staff.

Foamex Corpet Cushion Inc., 56867

2-1-98 to 3-31-98, \$498,865.34

Action: Approve the refund as recommended by staff.

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Illumina, Inc., 151608

4-1-01 to 9-30-01, \$62,442.90

Action: Approve the refund as recommended by staff.

Pacific Insulation Company, 160286

1-1-01 to 3-31-01, \$67,895.96

Action: Approve the refund as recommended by staff.

Allen-Bradley Company LLC, 154772

7-1-01 to 9-30-01, \$229,948.68

Action: Approve the refund as recommended by staff.

Hewlett-Packard Company, 154771

7-1-01 to 9-30-01, \$102,243.62

Action: Approve the refund as recommended by staff. Mr. Chiang not participating.

Origins Services Inc., 145224

10-1-00 to 12-31-00, \$66,839.44

Action: Approve the refund as recommended by staff.

ASAP Software Express Inc., 141364

1-1-01 to 3-31-01, \$406,018.96

Action: Approve the refund as recommended by staff.

EXE Technologies, Inc., 149867

7-1-01 to 9-30-01, \$57,601.08

Action: Approve the refund as recommended by staff.

Wilsons Leather Holdings Inc., 152351

1-1-01 to 3-31-01, \$111,755.22

Action: Approve the refund as recommended by staff.

SPECIAL TAXES MATTERS, REFUNDS, CONSENT

With respect to the Special Taxes Matters, Refunds, Consent Agenda, upon a single motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9 in *Texaco Refining and Marketing Inc., 182096; Nationwide Life Insurance Company, 111743; Safeco Insurance Co. of America, 145985; United Investors Life Insurance Company, 165246; Nationwide Life Insurance Company, 114262; Teachers Insurance and Annuity Association of America, 150723; and Harbor Distributing LLC, 174444*, Mr. Andal absent, the Board made the following orders:

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Texaco Refining and Marketing Inc., 182096

7-1-95 to 12-31-98, \$927,915.91

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Flying J. Inc., 150676

1-1-98 to 9-30-00, \$115,806.60

Action: Approve the refund as recommended by staff.

City of Los Angeles, 174447

10-1-01 to 3-31-02, \$179,601.38

Action: Approve the refund as recommended by staff.

Nationwide Life Insurance Company, 111743

1-1-96 to 12-31-99, \$71,078.11

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Safeco Insurance Co. of America, 145985

9-15-00 to 12-15-00, \$102,156.67

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

United Investors Life Insurance Company, 165246

1-1-97 to 12-31-97, \$63,073.84

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Nationwide Life Insurance Company, 114262

1-1-96 to 12-31-99, \$2,347,523.66

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Teachers Insurance and Annuity Association of America, 150723

1-1-97 to 12-31-97, \$57,781.32

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

Harbor Distributing LLC, 174444

1-1-99 to 9-30-01, \$53,606.23

Action: Approve the refund as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

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Core-Mark International, Inc., 174543

5-1-02 to 5-31-02, \$103,249.94

Action: Approve the refund as recommended by staff.

American Procurement & Lgstcs Co., 174441

7-1-97 to 6-30-99, \$143,838.58

Action: Approve the refund as recommended by staff.

Mc Lane Suneast Inc., 174542

5-1-02 to 5-31-02, \$74,788.15

Action: Approve the refund as recommended by staff.

PROPERTY TAXES MATTERS, CONSENT

With respect to the Property Taxes Matters, Consent Agenda, upon a single motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs and Mr. Parrish voting yes, Ms. Mandel not participating in accordance with Government Code section 7.9, Mr. Andal absent, the Board made the following orders:

Petition for Reassessment of Unitary Escaped Assessments**Qwest Communications Corporation (2463), 157002**

1997, \$11,300,000.00 Escaped Assessment

\$1,130,000.00 Penalty

\$4,746,000.00 In-Lieu Interest

1998, \$7,500,000.00 Escaped Assessment

\$750,000.00 Penalty

\$2,475,000.00 In-Lieu Interest

1999, \$2,800,000.00 Escaped Assessment

\$280,000.00 Penalty

\$672,000.00 In-Lieu Interest

2000, \$100,000.00 Escaped Assessment

\$10,000.00 Penalty

\$15,000.00 In-Lieu Interest

Action: Adopt revised unitary escaped assessments, penalty and In-Lieu Interest as recommended by staff. Ms. Mandel not participating in accordance with Government Code section 7.9.

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CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARING

Daniel P.S. Paul, 126825

1995, \$14,108.00 Claim for Refund

For Claimant:

Richard J. Ovelmen, Representative

For Franchise Tax Board:

Greg Heninger, Senior Legal Analyst

Jozel Bunett, Supervising Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Issues: Whether appellant's claim for refund is barred by the applicable statute of limitations.

Whether respondent is equitably estopped from relying on the statute of limitations, or whether the statute of limitations should be equitably tolled.

Action: Upon motion of Mr. Klehs, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs and Mr. Parrish voting yes, Ms. Mandel not participating, Mr. Andal absent, the Board sustained the action of the Franchise Tax Board. The Board directed staff to send a letter to the California Victim Compensation and Government Claims Board recommending favorable consideration of the request for relief filed by the taxpayer.

HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE CLAIM HEARINGS

Alissa Williams, 144054

2001, \$1.00 or more Claim for Credit

For Claimant:

James E. Williams, Representative

For Franchise Tax Board:

Suzanne Small, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Issue: Whether respondent properly denied appellant's claim for property tax assistance.

Action: Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board submitted the claim for decision.

Nova B. Milligan, 146303

1996, \$1.00 or more Claim for Credit

1997, \$1.00 or more Claim for Credit

1998, \$1.00 or more Claim for Credit

For Claimant:

Lloyd M. Downs, Representative

For Franchise Tax Board:

Suzanne Small, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Issue: Whether respondent properly denied appellant's claims for property tax assistance.

Appellant's Exhibit: Letter (Exhibit 8.11)

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Action: Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs and Mr. Parrish voting yes, Ms. Mandel abstaining, Mr. Andal absent, the Board reversed the action of the Franchise Tax Board with regards to tax year 1996.

Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board sustained the action of the Franchise Tax Board with regards to tax year 1997 and reversed the action of the Franchise Tax Board with regards to tax year 1998.

CORPORATE FRANCHISE AND PERSONAL INCOME TAXES HEARINGS**Dana and Penny Carman, 126980**

1997, \$12,526.00 Claim for Refund

For Claimant:

Dana Carman

Penny Carman

Kenneth Kreger, Accountant

For Franchise Tax Board:

Mark McEvilly, Tax Counsel III

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Issue: Whether appellants have established error in respondent's determination that their income was community property during 1997, such that they were only entitled to a partial refund of the amount claimed on the amended return (based on appellant-husband's share of the community earnings).

Action: Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board submitted the claim for decision.

J. Allen & Carol A. Beebe, 88463

1994, \$196,480.00 Assessment

1996, \$43,728.00 Assessment

Ocat, Inc., 88699

8-31-94, \$8,069.89 Assessment

8-31-95, \$23,003.76 Assessment

12-24-96, \$18,929.45 Assessment

For Appellant:

No Appearance

For Franchise Tax Board:

Renel Sapiandante, Tax Counsel

Action: The Board took no action.

The Board recessed at 11:15 a.m. and reconvened at 11:25 a.m. with Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel present.

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Khosrow and Turan M. Ghadiri, 94729

1986, \$28,700.00 Tax

\$7,175.00 Penalty, Delinquent Filing

\$26,582.88 Penalty, Negligence

1987, \$17,594.00 Tax

\$4,398.50 Penalty, Delinquent Filing

\$14,173.10 Penalty, Negligence

1988, \$12,039.00 Tax

\$3,009.75 Penalty, Delinquent Filing

\$601.95 Penalty, Negligence

For Appellant:

John D. Teter, Attorney

Khosrow Ghadiri

For Franchise Tax Board:

Jean Cramer, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Issues: Whether appellants have shown that respondent improperly made assessments based upon federal adjustments.

Whether appellants have shown that respondent improperly imposed penalties for delinquent filing and negligence.

Appellant's Exhibits: Details of Adjustments (Exhibit 8.12)

Declaration (Exhibit 8.13)

Respondent's Exhibits: Details of Adjustments (Exhibit 8.14)

Action: Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board submitted the appeal for decision

Baxter Healthcare Corporation, 150881

1992, \$1.00 or more Claim for Refund

1993, \$1.00 or more Claim for Refund

1994, \$1.00 or more Claim for Refund

1995, \$1.00 or more Claim for Refund

For Claimant:

Derick Brannan, Attorney

Kathy Sommers

Ed Conrad

For Franchise Tax Board:

Carl Grossenbacher, Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Issues: Whether dividends paid by Baxter World Trade SA Belgium, a foreign subsidiary of appellant, to Baxter Healthcare SA and to Baxter Healthcare PTE Ltd., also Foreign subsidiaries of appellant, are Subpart F income, Necessitating inclusion of these subsidiaries on appellant's California combined report.

Whether Revenue and Taxation Code section 25106 eliminates from the income of Baxter Healthcare SA and Baxter Healthcare PTE Ltd. the dividends paid by Baxter World Trade SA Belgium.

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Appellant's Exhibit: Miscellaneous Document (Exhibit 8.15)

Respondent's Exhibit: Section 959 (Exhibit 8.16)

Action: Upon motion of Mr. Chiang, seconded by Mr. Klehs and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board granted the claim for refund.

Amir H. and Lila Ghassemi, 112341

1996, \$18,076.00 Tax

\$4,519.00 Penalty, Late Filing

1997, \$4,974.00 Tax

For Appellant: Ed Regan, Representative

For Franchise Tax Board: George McLaughlin, Supervising Tax Counsel

Contribution Disclosures pursuant to Government Code section 15626: No contributions were disclosed.

Issue: Whether respondent properly relied on the results of a sales tax audit by the Board of Equalization to assess additional income taxes and penalties.

Action: Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board granted Appellant a 60-day extension.

FINAL ACTION ON CLAIM HEARD AUGUST 1, 2002

Upon motion of Ms. Mandel, seconded by Mr. Chiang and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, in the claim of *Alissa Williams, 144054*, the Board order the Appeals Section to bring the matter back before the Board with a final recommendation in 30 days.

FINAL ACTION ON APPEALS HEARD AUGUST 1, 2002

Upon motion of Mr. Klehs, seconded by Mr. Parrish and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, in the claim of *Dana and Penny Carman, 126980*, the Board sustained the action of the Franchise Tax Board.

Mr. Klehs moved to sustain the action of the Franchise Tax Board in the appeal of *Khosrow and Turan M. Ghadiri, 94729*. Mr. Parrish made a substitute motion to delete the penalties. The motion was seconded by Mr. Klehs but failed to carry, Mr. Parrish voting yes, Mr. Chiang, Mr. Klehs and Ms. Mandel voting no, Mr. Andal absent.

Mr. Klehs moved to sustain the action of the Franchise Tax Board. The motion failed for lack of a second.

Upon motion of Mr. Chiang, seconded by Ms. Mandel and unanimously carried, Mr. Chiang, Mr. Klehs, Mr. Parrish and Ms. Mandel voting yes, Mr. Andal absent, the Board submitted the appeal for decision, granting the appellant 30 days to submit additional documentation, the Franchise Tax Board 30 days to review the documentation and the Appeals Section 30 days thereafter to bring the matter back to the Board with a final recommendation.

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The Board adjourned at 12:20 p.m.

The foregoing minutes are adopted by the Board on September 12, 2002.